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The Jobs Forum: Its Eventual Arrival?

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POLICY PHASES

Unemployment as an issue in Ireland is finally moving nearer to the centre of the political stage. For years, as the unemployment levels increased and expanded, the topic was either ineffectually dealt with or was overshadowed by other issues. In the early seventies unemployment was expected to decline with the continued growth in the economy. As the first oil recession arrived in 1974, the rising level of joblessness was not considered critical and was thought to be manageable by a judicious expansion of government demand. When the fiscal expansion of the mid to late seventies failed to arrest the rising trend, the focus of attention shifted to controlling the national finances in the early eighties.[1]

Keynes and unemployment

The political and academic affair with Keynesianism in Ireland was ended by the inability of government demand injections to permanently or even significantly reduce unemployment. That demand expansion had some effect on the jobless rate is without doubt: as Barry and Bradley suggest, the expansionary fiscal policies of the 1970s reduced unemployment by around 2.5 percentage points.[2] However, the small open economy factor weakened the employment impact of the fiscal injections. In addition, the ability of any democracy to create budgetary surpluses to compensate for the previous injections is extremely difficult because of the related political costs.

In this regard Barry (1991: 111) refers to the policy error

committed in Ireland in the late 1970s of continuing to take an expansionary fiscal stance when the world economy was already emerging from recession. He also argues that the demand effects of fiscal policy on employment can be largely wiped out over time as the accumulated debt comes to be financed ultimately by tax increases which raise production and wages costs. This means that the demand stimulation benefits can be reduced or neutralised by negative supply factors.

Finally, and most importantly, the manipulation of aggregate demand is likely on its own to be incapable of creating full employment as it does not directly improve the employment efficiency of the organisational structures of an economy.[3] The inability of growth alone to create full or adequate employment has in recent years found a type of conceptual home in the literature in the economic concept of hysteresis. This concept comes from the physical sciences and refers to a situation where, after a material change has been affected by an external influence, there is a failure to return to the original condition when the influence is removed. In the latter half of the eighties, economics used it to focus on the impact of aggregate demand on the level of unemployment. When unemployment failed to return to its previous low level following the recessions of the 1970s and 1980s, hysteresis was introduced to explain the blockage.

National debt

The late seventies and early eighties saw the continuous rise of the national debt shift the focus of attention to the control of the national finances. In the first half of the eighties the coalition government made a vigorous effort to try to impact on the growth in the national debt. However, it was the 1987 to 1989 government with the aid of a stronger economy and the consensual mood of the time — best reflected in the Programme for National Recovery (PNR) — which began to get the debt to GNP ratio stabilised and then reduced. The debt to GNP ratio increased from around 80 per cent in 1980 to just under 140 per cent in 1986 and 1987. At this point the trend was reversed and the ratio continued to decline thereafter to about 110 per cent in 1991 and is expected to

fall to slightly less than 90 per cent by 1996 (Bradley and FitzGerald 1989: 33, Bradley *et al.* 1991: 48).

The January 1991 agreement in the Programme for Economic and Social Progress (PESP) continued the PNR strategy on macro-economic stability and national debt reduction by targeting the reduction of debt to GNP ratio to 100 per cent by 1992. This target has its origin in the NESC recommendation that current public expenditure should not increase in real terms up to 1993. PESP also listed a substantial increase in employment as one of its key objectives and Section 5 of the PESP report states that the reduction of unemployment and involuntary emigration is the primary objective of the government. In addition and for the first time, it lists as one of its key objectives a major assault on long-term unemployment (LTU). This latter objective takes the form of an area-based response to LTU for which the government allotted IR£500,000 in 1991 for a two-year 12-centre pilot project approach. Although at first glance this seems an inadequate response to the problem, it appears that the intention is for the experiment to provide a model for (a) improving the employment efficiency of the present educational, training, social welfare and other schemes as they impact on the LTU and (b) informing future policy developments in this area. This particular project originated from both the NESC expression of concern about the danger of Ireland's high level of LTU and the 29 May 1990 EC resolution on action to assist the LTU.

Unemployment

Thus by the early part of 1991 the dual effect of a slowly receding crisis in the national finances and the normal process of replacing the top priority with the next in line, provided an opportune time for a change of national focus from the national debt to unemployment. In November 1990 the leader of the opposition was replaced, resulting in a restructuring of the main opposition party. After some months searching for a suitable political agenda the party and its new leader began, slowly but increasingly, to take unemployment as its main *casus belli.* This was most noticeable in its adoption

of unemployment as the main concern of its one-day rally in May 1991, followed by the local elections statement on jobs by its leader on 14 June 1991. This transfer of interest to the unemployment issue was quickly responded to by the government side by the setting up in June of a task force on employment from among the heads of the semi-state bodies. The media too began to react, first by the slowly increased space it made available to unemployment-related material. Where previously the release of the monthly unemployment statistics was often covered in a small column or two along with the relatively anodyne comments of government and opposition, now they were being given more prominence. Second, by the slightly greater extraction of unemployment-related material from the coverage of conferences, speeches, etc. This last point would require detailed research to prove and is something which might provide the basis for an interesting piece of media analysis.

Thus, now that unemployment is showing early signs of replacing all other concerns as the top priority, it may be worth considering, yet again, possible ways out of this great social problem.[4] Since it is a fuller realisation of the actual damage unemployment is doing to our society which will infuse courage into our efforts to resolve it, we will first look briefly at what research tells us about the *effects* of unemployment.[5]

COSTS OF UNEMPLOYMENT

Research shows that unemployed people typically pass through a number of distinct phases. Firstly, there is the initial shock at the loss of their job. Secondly, there is optimism in the early period of looking for a new job. However, this gradually gives way to pessimism at the failure to secure work, and finally, after a time, a fatalism develops at which stage the unemployed become resigned to their new situation.

Social costs

Unemployed adults come under pressure from family, friends, colleagues and society at large to get a job, and this can lead to considerable stress particularly when vigorous attempts to

find work continually meet with no success. Research has also shown an association between unemployment and ill health. The unemployed suffer on average much poorer health than those at work. In particular, there is significant evidence that physical health is influenced by unemployment and this evidence comes from studies that have concentrated on the health of the families of the unemployed. For example, the mortality rate among children between birth and four years of age seems to be greater in those families where there is unemployment. In addition, it seems to be the case that the number of times children with parental unemployment problems are hospitalised is in fact double that of families who are not suffering from unemployment. Finally, it was found in one study that the mean birth weight of children whose fathers were unemployed was significantly less than that of those whose fathers were at work.

Unemployment or lack of work can also affect people's mental health. In one study it was found, over a number of years, that the unemployed were at least nine times more prone to attempt suicide than the employed, with the greatest risk found among those who had been unemployed for more than a year.

Research has also shown that unemployment has led to increased marital stress, that it weakens family bonds, and that it increases friction in the home. However, the exact effects of unemployment vary according to the initial quality of the family relationship. Broadly speaking, if family bonds prior to unemployment are close knit, then unemployment can actually strengthen these bonds. However, where family relations are weak or, more commonly these days, where they are only developing in the early stages of marriage, then unemployment can put a considerable strain on these relationships and thereby weaken what would otherwise become a mature and happy marriage.

Many people have argued that a high level of unemployment leads to high levels of crime and delinquency. This implies that the higher the unemployment, the greater the level of crime. This is not necessarily always the case and research is not altogether clear on wheather higher unemployment increases crime or vice versa. However it can be said that,

to the extent that unemployment weakens the bonds or attachments of unemployed people to ordinary society, it may leave them less than enthusiastic with the status quo. This may help to explain the link between juvenile crime and unemployment.

Financial costs

Unemployment is very expensive for people. Research done by the ESRI shows that the unemployed are one of the poorest groups in our society and that unemployment contributes significantly to Irish poverty (Kennedy 1989: 5). This is made all the worse by the fact that there is often no earned income in many households where there are unemployed people. The majority of the unemployed, according to research, are in households where there is no earned income. In addition, about half the males on the unemployment register have been there for over a year. These two facts are likely to cause considerable difficulty and hardship.

But it is not only material problems or financial problems that are the lot of the unemployed. Their inactivity causes problems: their failure to mix in the local community; their fear of socialising because of the cost. For some people, of course, unemployment may be a break from the monotony of a boring job and some unemployed people have become very active in their local community. These, however, are unusual, and to have individuals such as these involved in communities which themselves have relatively high levels of unemployment would indeed be exceptional.

Apart from the individual cost, there is also the cost for the economy. In 1982, the OECD did an estimate of the cost and discovered that the loss of production through unemployment in the OECD world at that time was equivalent to the combined output of Canada and Denmark. Unemployment has risen in some countries since then, and this figure will therefore have changed. As regards estimates for Ireland, it is difficult to provide a completely reliable statistic but a piece of research done by Breen indicated that the loss of production in Ireland due to unemployment was about 8.5 per cent of total output. This estimate does not include such things as health-related costs or the extra cost associated

with crime, and it also assumes that there is a natural fictional rate of 4 per cent unemployment, all of which would otherwise increase the estimate.

FACING UP TO UNEMPLOYMENT: LESSONS FROM OTHER COUNTRIES

We are still excessively pessimistic about resolving unemployment in Ireland today — we have short memories. Firstly, although in recent years unemployment has been as high as 20 per cent, it was as low as 4 per cent in 1960 and a little over that in 1970. Secondly, we are rather insular in Ireland. We have not considered the experiences of other countries as very relevant, except maybe our nearest neighbour, which for many reasons may not always be the best example to look at when we are trying to reassess our unemployment problem.[6] We should look at the wider world beyond England, to see if there are case studies we can analyse to find new ways of addressing our unemployment.

There are five countries in the Western world which have kept unemployment at or below 5 per cent for the last 20 or 30 years. These are Japan, Austria, Switzerland, Norway and Sweden. Each of these countries maintained a very low level of unemployment up until the mid-seventies and since then, despite the two oil crises, they have maintained a relatively or extremely low level in contrast to most other Western economies. Details of the Japanese and Swedish experiences are illuminating.

Japan

First let us look briefly at Japan. Unemployment in Japan varied between 1.0 and 1.7 per cent in the 1960s. It reached a peak of 2.2 per cent in the 1970s, and in the 1980s it peaked at 2.8 per cent. This is an exceptional achievement by any standard, particularly as Japan has such a large economy (some people feeling that it might be more difficult to organise a large economy than a small one). Japan is a rich country today, one of the richest in the OECD world. However, this was not always so. At the beginning of this century Japan had less than one third of the living standard of the UK and significantly less than even Ireland (Kennedy *et al.* 1988: 14).

Since the 1920s, Japan has achieved a considerable improvement in living standards and is the envy of many today, at least from an economic point of view. Are there special factors in Japanese culture which keep unemployment low or are there more understandable causes for its low unemployment?

There are indeed cultural differences between Japan and other countries. Culture, however, hardly explains everything. Japan must compete in the world economy and produce high quality goods at low or reasonable prices. Cultural difference will not explain that particular fact away. So how does it maintain a high level of employment and a low level of unemployment?

First, Japan competitively produces a whole range of goods of the highest quality, especially in the manufacturing sector, through a well-developed, skilled labour force. Japan is famous for its lifetime employment system whereby firms recruit workers from a new group of graduates each year and assure them continuous employment until retirement. International specialists nowadays agree that this method is based on the idea that companies retain their workers throughout their working life to ensure that they do not lose them to their competitors. To a Japanese employer, workers are the most important asset. He can buy equipment where he likes but workers are something which he must develop over their career and which he considers to be his most important investment. This is in contrast to the more Western view of staff where, when recession arrives, staff often find themselves laid off. Then, when finances improve, firms have to reinstate them or find new workers elsewhere.

Thus, mid-career recruitment is rather rare in Japan, whereas job rotation within firms and between a firm and its subsidiaries is quite common. In addition, this requires a considerable amount of training and re-training to prepare workers for new tasks and new products as the economy moves from one phase to another. This lifetime employment system is not, however, universal. According to a study in the 1980s the system covers approximately one-fifth of employees and occurs mostly in large firms. However, smaller and medium-sized firms have a similar type of attitude, if not as powerfully

entrenched, as the lifetime employment system and they too are rather hesitant to lay off staff.

Second, the production system inside Japanese companies is more efficient at utilising workers to the best of their ability. This is because of the training of workers, the way they are organised to work with one another, and the way they accept change — new products, new production methods and the consequent new training. The quid pro quo for this is that workers expect to have reasonably permanent employment and that the firm values their work. One Japanese manager referred to foreign, especially American and British, corporate directors coming to visit his company. He explained that there was a joke about how these visitors were brought on 'cat-walks'. These were high walks above the floor of the factory where the visitor could inspect the equipment, machinery, layout and design of the factory. According to the Japanese manager, this type of visit was inadequate to assess what was going on in the factory; the real secret was how they organised, trained, re-trained and motivated their staff. That, according to him, was their main corporate secret and that was what gave them their competitive edge.

Third, the trade union system in Japan is helpful. Trade unions are based on individual firms, not occupations as in Ireland. Such trade unions are relatively more concerned about the effect of their activities on their firm. Matters such as wage claims, holiday entitlement, work procedures and other activities which can often be negotiated to the brink in Ireland would be more reasonably looked at by this type of trade union system. This is because the existence of each trade union is reliant on the company in which it is based. Japanese trade unions are kept fully informed of their firm's position and firms have no fear of providing this information. Managment–union consensus helps to match wage demands to the firm's level of viability.

If staff have to be laid off from a company, it is usually as a last resort. The Japanese will cut back on stocks, buildings and equipment rather than lay off valuable staff at any level, right down to the lowest paid workers. It is seen as a failure of management to have to lay off staff in Japan, whereas in Western economies like America or England, and indeed

Ireland, it may be regarded as a necessary process of rationalisation.

Sweden

Sweden, in the early part of this century, had about the same living standard as Ireland.[7] It has a population of over double ours and is today renowned for its developed welfare state. In Sweden, unemployment averaged 1.5 to 2.0 per cent in the 1960s, 2.0 to 2.5 per cent in the troubled and difficult 1970s, and 2.5 to 3.0 per cent in the early 1980s. The most recent (July 1991) figure is 2.8 per cent, up from 1.5 per cent in July 1990.

Like Japan, Sweden has historically given a high priority to maintaining full employment. The difficult experiences of the 1930s, and the high unemployment and social conflict to which this led, forced Sweden to reassess its approach to employment and work. Since then, it has developed a very strong determination to maintain full employment and this is enshrined in legislation, by common agreement among the social partners, and throughout the general public at large. Thus in Sweden the biggest proportion of expenditure on labour market programmes goes on *active* labour market policies such as re-training and placement. This contrasts with *passive* labour market programmes such as dole which is a relatively larger element of labour market expenditure in Ireland. (It is worth noting that unemployment payment was originally introduced on the basis of the theoretical view of the classical economic model. This argued that when unemployment occurred in an economy it would only be temporary and the function of dole payments was therefore simply to bridge this short-term gap.)

If we take the management of social welfare payments in Sweden, it is interesting that the social welfare ministry looks after all forms of income support except unemployment payments. These payments are the responsibility of the minister of labour who can focus in a co-ordinated way on reducing unemployment and balancing dole payments with other forms of activities to help the unemployed. This division of responsibility appears to help the unemployed and it also encourages a better balance between expenditure on the

income maintenance element and unemployment reduction activities. In Ireland we are more disorganised in this respect and divide the functions of unemployment payments and active labour market programmes between two competing government departments — surely a recipe for duplication and evidence of poor administration in our public sector.

Another reason for Sweden's low unemployment, according to some outside commentators, is that Sweden's centralised wage negotiation system results in more responsible wage demands and this helps to reduce some of the inflationary pressures attached to having low levels of unemployment. Recent OECD research indicates that countries with a very centralised income policy, such as Sweden, Austria or Norway, have better results than other countries whose income policies are not as centralised. The research also shows, surprisingly, that countries with decentralised wage systems, i.e. no national wage agreement and local bargaining, such as Japan or Switzerland, also give a reasonably good employment situation. However, countries between these two extremes such as Ireland (before PNR and PESP) and England have income restraint difficulties. The PNR and PESP process has increased the level of centralisation and seems accordingly to have improved things in this regard.

Finally, we should note that Sweden has varied its approach when necessary. There is no one way or group of ways of reducing unemployment in any country. Sweden knows this. For example, in the early to mid-1970s, expansionary fiscal policy played a key role in maintaining low unemployment in Sweden. The approach changed in the latter half of the 1970s to more emphasis on supply side policies — aimed at improving skills and labour mobility. Then, in the early 1980s Sweden took a restricted fiscal policy approach, as did many other countries. The important thing is that Sweden has acted flexibly to meet the changing nature of the challenge of maintaining full employment.

A JOBS FORUM

A jobs forum has recently been given some attention as an effective mechanism for focusing on ways of reducing our unemployment problem. This author first raised this concept in 1984 when addressing the then Taoiseach in a formal public question and answer session.[8] In 1986 a major conference on unemployment saw the first detailing of how such a forum would work.[9] As a result of the conference, the Campaign for a National Forum on Jobs was set up. After the demise of this group some of its members joined the Irish National Organisation of the Unemployed (INOU). In March 1989, following a series of interesting articles on unemployment, *The Irish Times* proposed the setting up of a forum on unemployment. In the June 1989 general election the INOU made a jobs forum a major part of its submission to the political parties. At an ICTU seminar earlier that year Dr Kieran Kennedy, Director of the ESRI, proposed a jobs forum and at the July 1990 ICTU annual delegate conference the General Secretary, Peter Cassells, got the conference to formally adopt a jobs forum resolution.[10]

However, all of the above were for the most part straws in the wind and did not constitute anything significant in political terms. In spite of the support from such significant quarters as the ICTU, the ESRI and some public representatives, the idea needed significant support from the political arena if it was to become a matter for serious consideration. Just such support began to be expressed by the new leader of the opposition in 1991. The first address by him contained little or nothing about the unemployment problem.[11] But as time went by his speeches began to contain references to a jobs forum until his mid-local elections statement of 14 June, which contained an appendix listing possible terms of reference for such a forum.[12] The decision of the opposition to take on the jobs forum idea has had at least a temporary unlocking effect on the topic to the extent that the idea has now entered the political arena. Whether the idea actually takes shape depends at least partly on whether the recent difficulties with the expected 1991 budgetary outturn will be continued into the 1992 budgetary period or not. More importantly, however, the jobs forum idea will turn out to be a nine-day local election wonder unless more are convinced of its potential.

It would be inadvisable to impose a detailed structure on something as central to political decision making as a forum

(Kerins 1988: 224). I would suggest that the following general approach be taken:

- A preparatory unemployment unit be set up containing government, political party and social partner representatives, to complete its work over a six to nine-month period. Representatives of the unemployed or unemployment groups must also be included. The most suitable organisation would be the INOU which could be given input equal to the other groups.
- A one year *public* forum to be set up, part of whose terms of reference would be to look in depth at the employment efficient aspects of the five or six low unemployment OECD countries, including such areas as education and training, industrial relations, industrial policy, fiscal and welfare system, etc.
- A five year programme of implementation which takes cognizance of the need to continue the improvement in the public finances.
- A forum review of progress every two years and a full review in the sixth year.

It is possible to identify a number of the issues which would confront such a forum. Firstly, the forum will not itself provide a solution to unemployment. It simply provides a more effective mechanism inside which solutions can be search for, studied, judged, decided on, and implemented. It also takes the view that there is no one secret key to unemployment. As the five low unemployment OECD countries show, unemployment has been tackled in different ways in different countries and also at different times within countries. The forum will therefore strengthen unemployment policy by focusing on the issue. It has also to be said that both the public and the forum groups will learn more about reducing unemployment from such a forum than by simply amassing facts. Knowing the technicalities is not the important part. Otherwise we could just employ the employment experts, if we could decide which ones to choose!

On this very point Martin O'Donoghue, in discussing unemployment in Europe, states that there is no generally accepted theoretical analysis and solution of the

unemployment problem. He adds that increasingly, at the level of practical policy, there is a greater emphasis on a political economy approach in which bargaining among interest groups becomes a necessary element in arriving at the most effective actions for coping with actual unemployment situations (1990: 35).

Secondly, neither the experts themselves nor the experience of low unemployment OECD countries will provide us with a successful unemployment-reducing programme. The forum will be about making the necessary choices and these choices will be considerably helped by the various groups moving from individual opinions to shared judgements. As groups work and think together they develop new and shared perspectives. It is these shared, reflective and integrated perspectives which we can classify as public judgement — these are immensely more powerful than any single expert opinion or any theoretically-based proposal.

Thirdly, another factor, according to some opinions from community-based forums abroad, is that a forum will help to achieve a common language on the topic, something which is very important in avoiding misunderstanding between different groups. As a result, one of the most important results of such a forum is that it will nurture the collective capacity for change (Abrahamsson 1989: 56-8).

Whether a jobs forum will or will not be adopted in Ireland is not a technical question with a technical answer. It is now something which has been taken up within the political arena and will be subject to factors within and without that particular sphere of Irish life. It has to be said, however, that the previous government's success in negotiating and working the Programme for National Recovery provides an experiential base on which such a forum could be built. The successful negotiation of the Programme for Economic and Social Progress further strengthens this, and continues the institutionalisation of the Central Review Committee's social partnership process. The forum would also need to have a reasonably clear field as regards the state of the public finances. A process of defining fully its possible terms of reference and its exact remit would also be necessary.

In all of this it is patently clear that the Irish public at

large wants to see unemployment tackled. However, even the public is less than convinced that this is possible. To convince people that unemployment can be slowly solved, to set up the necessary structures to do so, and to implement these will take real leadership — ideas are much easier to generate and articles to write than are structures to set up. It would help the next stage in the forum process if those concerned began by considering first the terms of reference for the preparatory unemployment unit, and following that, the unemployment forum. The sooner this process starts the quicker the work gets under way.

NOTES TO ARTICLE

[1] According to Muller and Price (1984) Irish policy was expansionary in 1975, dipped in 1976 and became more expansionary until its peak in 1982 when it became progressively more contractionary. Quoted in Barry (1991: 105).

[2] Quoted in Barry (1991: 107).

[3] Some elements of the employment efficiency of organisational structures are referred to in Kerins (1988: 63-85).

[4] It should be noted that many would argue that unemployment has always been our most important problem and what is happening recently is nothing new. However what is happening recently shows signs of:
(a) Bringing unemployment nearer to the top of the political agenda, to where all the main parties, and the social partners, may finally take it on board as their main operational objective in contrast to their main aspirational focus.
(b) Possibly providing avenues, processes and new methods for reducing unemployment. It should be noted that it will be difficult to have it so placed without the continuing improvement in the national finances, and the 1991 mid-summer indications in this respect cause one to pause. It will also not happen without the arrival of a consensus about possible ways of impacting on the problem. This will be the main function of a forum and the process it leads to.

[5] Most of the material in the next section is more fully covered by Breen in Kerins (1988: chapter 2); the Breen statistic in the final paragraph of this section is explained on p. 22 of this source.

[6] In recent years our involvement in the EC and elsewhere has forced us to be aware of developments in other countries. The present study by NESC (mentioned in Section 10 of the PESP), of institutional developments in five or so European countries, should be helpful in providing ideas for developing our economy but does not focus especially on unemployment.

[7] See Kennedy *et al.* (1988), Table 1.1, column 2.

[8] The response of the Taoiseach, Dr FitzGerald, to my proposal was relatively non-committal. I repeated my question to Dr FitzGerald in September 1986 at another public question and answer session and he requested that I detail the ideas in writing. His answer to my written proposal in November of that year indicated that the idea:
(i) could not be introduced during the lifetime of the coalition government (which in fact ended a month later);
(ii) lacked any firm proposal on how to reduce unemployment;
(iii) would be looked at further by one of his own deputies and there the matter lay.

[9] Dublin College of Catering, July 1986. The conference proceedings were published as a special edition of *Administration* (Vol. 35, No. 3), under the title *The Challenge of Unemployment.*

[10] Kennedy had in fact previously proposed a forum in 'A Prospectus for a Perspective', November 1988 (unpublished).

[11] See *The Irish Times,* 21 November 1990, for the text of Mr John Bruton's address.

[12] Whether these terms of reference are adequate or not is not as important as the process of the opposition leader taking the idea on board. Whether indeed he may have a somewhat different view than Kieran Kennedy, myself, the ICTU or the INOU is also not as important as the fact that the idea has now been given significant support.

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The Management of European Customs

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INTRODUCTION

The removal of customs controls at borders between the member states of the Community symbolises the message of 1992. The existence of frontier controls is seen as evidence of the continuation of the uncommon market through the maintenance of non-tariff barriers. 'When the barriers come down' is widely regarded as the popular shorthand description which captures the essence of 1992. Undoubtedly, the programme to complete the single market is a remarkable innovation in economic policy. What is far less widely recognised is that the success of this initiative depends critically on innovation in public management of a quite different kind from anything member states have attempted to date.

The impression created by the skilful marketing of the 1992 message is that the completion of the single market is an exercise in negative integration. In other words, it is assumed that frontier controls between the member states will simply disappear through a process of progressive reductions of control requirements.[1] And it is further assumed that the administration of a single external frontier is a routine and rather technical matter of implementation. Both assumptions are false. Frontier controls will not disappear completely and the changes required to manage the external frontier raise complex and urgent questions which go to the very heart of defining the future shape of the Community. The successful completion of the single market will depend on positive integration being introduced to establish a Community framework.